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Identical letters dated 23 July 2001 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General and to the President of the Security Council

On instructions from my Government, I have the honour to inform you that the United States and the United Kingdom are maintaining their pattern of conduct in placing holds on humanitarian contracts submitted under the memorandum of understanding of 20 May 1996 between the Government of the Republic of Iraq and the Secretariat of the United Nations (S/1996/356) and the oil-for-food programme.

In its many letters on the subject addressed to the Secretariat and the Security Council, the Government of Iraq has referred to this unlawful conduct on the part of the United States and the United Kingdom. The pattern has not changed despite the protests of the Secretariat of the United Nations, as reflected in the periodic reports of the Secretary-General on the implementation of the Programme, and despite the repeated calls the Security Council has addressed to these two countries, most recently that made in paragraph 13 of its resolution 1330 (2000), in which it:

> "*Urges* the Committee established by resolution 661 (1990) to review applications in an expeditious manner, to decrease the level of applications on hold and to continue to improve the approval process of applications, ..."

The flimsy reasons most frequently given by the United States and the United Kingdom for placing contracts on hold are that there is an alleged need for further information on the contracts and the fanciful claim that some of the items ordered are of dual use. Such claims and allegations lack any basis. Primarily, they constitute interference with the prerogatives of the Secretariat and the Office of the Iraq Programme. Paragraph 24 [i.e. 33] of the procedures adopted by the Committee established by resolution 661 (1990) for the implementation of the Programme (S/1996/636) states that, before it is submitted to the Committee, "experts in the Secretariat examine each contract, in particular the details of price and value, and whether the items to be exported are on the categorized list" submitted by Iraq and approved by the Secretary-General.

It is evident from the foregoing that responsibility for ascertaining that contracts meet the conditions stipulated in the Committee's procedures and conform to the distribution plan lies with the Secretary-General and the Secretariat.

The policy of placing contracts on hold has gone so far that it is no longer possible to remain silent. As of 10 July 2001, there were 1,373 contracts on hold for a total value of 3.5 billion dollars. I should like to make specific reference in this

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letter to only one of the humanitarian sectors seriously affected by the policy of placing contracts on hold that has been pursued by the United States and the United Kingdom. This is the electricity sector, which represents the mainstay of life and which serves all of the other humanitarian sectors that are vital to the people of Iraq, namely food, agriculture, health, industry, trade, education, culture and water and sanitation as well as others. The governments of the United States and the United Kingdom have targeted this important and vital sector in order to maintain and exacerbate the suffering of the Iraqi people under the burden of the unjust embargo imposed on it and perpetuate the shortage of electricity by placing holds on a large number of contracts that would provide Iraq's electricity system with the additional generating capacity required given that the United States aggressors destroyed all of the electric power stations at the time of the 30-nation aggression of 1991, thus causing enormous detriment to the lives of Iraqi citizens.

A total of 161 electricity-related contracts for phases V, VI, VII and VIII, worth 988,000,000 dollars, are on hold. One hundred and forty-two of them were placed on hold by the United States, one by the United Kingdom and 18 by both the United States and the United Kingdom. All of them were placed on hold for flimsy reasons. There are still contracts that have been on hold since 1997 despite the 280 or so clarifications that have been provided by the Electricity Authority and the Iraqi electricity supply companies and have been communicated to the Office of the Iraq Programme and the Committee and despite the fact that the contracts on hold have met all the requirements. In this connection, we set before you hereunder the facts relating to the most important of the electricity sector contracts that have been on hold for long periods of time.

1. There are contracts for electricity stations that were placed on hold in phase VI. They include contracts for the Najaf station, the Rashidiyah gas-powered station and the rehabilitation of control equipment and turbines for the generating units at the Dawrah station They are worth some 250,000,000 dollars, and they have been on hold for almost a year. They could have increased generating capacity by some 700 megawatts if the equipment ordered had arrived, and the spare parts and ancillary equipment could also have helped to increase generating capacity and ensure the continued operation of generating stations and transmission and distribution networks.

2. Other contracts were placed on hold in phases VII and VIII that could have added generating capacity of some 2,000 megawatts had they been processed. They were for new gas- and steam-powered generating stations, and some of them are on hold and some are registered. An example that causes astonishment is that in considering four contracts for the supply of similar gas-powered units that were concluded with one company, the representatives of the United States and the United Kingdom in the Committee placed two of the contracts on hold and approved the two others. The representatives of the United States and the United Kingdom also approve some contracts for important spare parts for generating stations and place holds on others that are complementary, so that items supplied under contracts that have been approved cannot be used for the repair or rehabilitation of those stations that are damaged and require repair. You will find annexed hereto a table showing examples of important contracts that have been registered and on hold for various periods of time.

3. The practice of placing electricity-related contracts on hold has created an enormous gap between demand and output that causes electricity supply to the country's governorates to be disrupted for long periods of time that may exceed 18 hours a day. This represents genuine hardship, affects all necessities of life for Iraqi citizens, causes a complete paralysis of life affecting all of its requirements and destroys the household electrical appliances of citizens. The best indication of this is in the reports submitted by the United Nations Development Programme (UNDP) on the impact of the holds placed on contracts and the delays in their fulfilment on the production, transmission and distribution of electrical power. The figures given is these reports indicate that there is a shortfall in production of more than 50 per cent. One of the consequences of this shortfall in production has been that patients have been killed or their health adversely affected as a result of disruptions in the electricity supply to hospitals. The disruption of the supply of electricity to water and sanitation stations also halts the pumping of the drinking water citizens need in hot weather. Blockages in the sewerage network also cause leakages and have grave health consequences for all. Power outages also affect agricultural output, livestock, factories and citizens' workshops as weil as education, inasmuch as students and teachers are prevented from performing their tasks, and they have medical and psychological consequences for all segments of society.

4. There are other contracts that have been on hold for some two years. They are for systems control and communications equipment and include contracts for power-line carrier equipment, the national control centre, switching equipment and fibre-optic cables. Among its assistance projects, the UNDP office provided funding of 250,000 dollars for the national control centre project in 1999. Despite discussions and correspondence in its regard, none of the items have been delivered. The UNDP office has recently suspended implementation of the project because it anticipates that the Committee will not approve it given that there are two contracts on hold that relate to the control centres. We should also like to refer in this connection to a contract for the importation of piping for the condensers at the Dawrah thermal station for which approval has not been given. This has meant that the maintenance of the units has not been completed, there being an urgent need to replace the piping, despite the assurances of the United Nations specialized agencies that the piping serves the station and is in no way a dual-use item.

The hostile political considerations that govern the overall approach of the United States and the United Kingdom to Iraq are obvious to all and the two aggressor States do not conceal them. By way of the no-flight zones in northern and southern Iraq, they have been continuing their military aggression against our people on a daily basis since 1991 by virtue of a unilateral and illegal decision taken by their governments in flagrant violation of the Charter of the United Nations and international law.

In order to justify and reinforce the policy of placing contracts on hold, the United States and the United Kingdom have resorted to a new lie that has almost succeeded in deceiving the members of the Council. It is the claim that there are no rules for the evaluation of contracts, and they have proposed the adoption of a new mechanism that seeks to give a false legitimacy to the practice of placing holds on contracts for humanitarian items on grounds of dual use in order to place new restrictions on Iraq's present and future trade. All contracts for humanitarian items are included in the distribution plan that is approved by the Secretary-General at the commencement of each phase. The items are of a purely humanitarian nature, and

the United Nations verifies their delivery to the end-user. The members of the Committee have in the past proposed that lists should be drawn up of the humanitarian items for which contracts can be approved by the Secretariat without there being any need for them to be submitted to the Committee. Lists were compiled and were given effect in many sectors. There is no need for any new procedure other than that the United States and the United Kingdom should renounce their arbitrary conduct and should go along with the view of the 13 other members of the Committee, none of whom have seen anything in the contracts in question that would require them to be placed on hold.

The exploitation by the United States and the United Kingdom of the mechanisms of the United Nations and their politicization of the humanitarian programme and use of it as an instrument to give effect to their anti-Iraq policies by placing holds on contracts, including electricity-related contracts, on grounds of dual use have gone so far that the United Nations can no longer remain silent. Given your responsibilities, we appeal to you to put an end to this policy of seeking vengeance on the people of Iraq and we urge you to intervene so that the holds placed on electricity sector contracts and contracts in other sectors may be lifted.

I should be grateful if you would have this letter and its annex circulated as a document of the Security Council.

(*Signed*) Mohammed A. **A-Douri**
Ambassador
Permanent Representative

Annex to the identical letters dated 23 July 2001 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General and to the President of the Security Council

Item	Amount (millions of dollars)	Date of registration	United Nations number
Phase VI			
2 165 MV gas units	102.9	30/09/99	600630
Rehabilitation of turbines and control equipment at the Dawrah station	42.6	29/03/00	601700
2 123 MV gas units	77.8	07/03/00	601746
2 25 MV portable raft-mounted gas units	17.5	30/10/00	600620
Phase VII			
Electrical equipment for the Azim dam hydroelectric station	17.0	19/10/00	702393
2 150 MV gas units	80.0	17/10/00	702374
Equipment for 132 kV transformer substations	23.0	07/08/00	701749
Rehabilitation of 15 gas turbine blades		26/07/00	701596
Phase VIII			
Equipment for the Salah al-Din thermal station	130	29/11/00	801545
Equipment for the Yusufiyah thermal station	150	22/01/01	801479
Equipment for the Rumaylah gas-powered station	110	15/11/00	800701
Control and communications equipment for the electricity system			
Phase V			
Rehabilitation of the national control centre	3.75	12/04/99	50653
Rehabilitation of the national control centre	2.99	05/04/99	50635
Digital switching equipment	0.99	12/04/99	50668
Switching equipment and accessories	1.47	22/04/99	50715
Switching equipment and fibre-optic cable	6.39	13/09/99	501200

Item	Amount (millions of dollars)	Date of registration	United Nations number
Phase VI			
Power-line carrier equipment	2.45	29/03/00	601695
Communications equipment	1.76	16/05/00	700834
Power-line carrier equipment	7.48	02/06/00	700938
Communications and data transmission equipment for the North power station	7.4	10/08/00	701798